



SF 2169 – Transportation Department Omnibus (LSB 5310SV)
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Fiscal Note Version – New

Description

Senate File 2169 contains several provisions relating to technical adjustments, efficiencies, and adjustments to a variety of matters regulated by the Department of Transportation (DOT). Three sections with a possible degree of fiscal impact include an amendment to Iowa Code section **321.196** to allow certain individuals to renew a driver's license electronically, an establishment of commercial motor vehicle testing component to comply with mandated Federal Motor Carrier Safety Regulations, and an amendment of Iowa Code section **321.116** to repeal the reduced annual motor vehicle registration fee of \$25 for electric-powered vehicles.

Background

Currently, an individual must complete and pass a vision screening to receive an Iowa driver's license. **SF 2169** removes this provision to permit online electronic processing of driver's license renewals for individuals seeking a renewal other than a commercial driver's license if the individual passes an onsite vision test prescribed by the DOT or if the individual files a vision report displaying visual acuity at a level required by the DOT. Under current law, an individual must renew in person at a DOT driver's license station or county issuance location.

Compliance with Federal Motor Carrier Safety Regulations is mandated by 49 U.S.C. 31314 and is tied to federal highway funding distributions for the State of Iowa.

In 1927, Senate File 148 established a \$25 annual motor vehicle registration for electric-powered vehicles. In 1982, Iowa Code section **321.116** was amended to include a \$15 annual motor vehicle registration for electric vehicles older than five years. The 2011 Road Use Tax Fund Study recommended the annual motor vehicle registration for electric vehicles be based on weight and value using the same formula that applies to most passenger vehicles. The National Council of State Legislatures states that the Nissan Leaf is the only mass produced all-electric vehicle currently existing on the market and more than 45 states offer some form of electric vehicle or charging station incentives.

Assumptions

- The DOT estimates a three-year average of 403,825 individuals ranging from 18 to 65 years of age with no disqualifying safety indicators may be eligible to renew a driver's license online.
- The DOT states there are no additional start-up expenses to design and implement a driver's license online renewal system.
- As of February 2012, there were 13 electric vehicles registered in the State of Iowa. The average annual motor vehicle registration fee for a passenger vehicle is \$130 a year. If the \$25 annual motor vehicle registration for electric vehicles is repealed then it would result in an additional \$105 per vehicle per year to the Road Use Tax Fund.

State Fiscal Impacts

- The number of individuals eligible to renew a driver's license online that would take advantage of the electronic renewal over a DOT driver's license station and the resulting employee hours saved cannot be estimated at this time. However, the DOT has indicated that any personal savings experienced as a result of online renewal implementation will be applied towards the 35.0 FTE positions currently being held vacant in the Motor Vehicle Division due to budget constraints. The DOT states that the State of Nebraska adopted an online driver's license renewal system and experienced an average renewal transfer of 10.0% to 15.0% during the start-up period. The amount of online renewals increased to an average of 35.0% after a period of heavy promotion by the Nebraska Department of Transportation.
- The DOT will experience a "sign-on" expense from the Department of Administrative Services for an authentication service before proceeding to the DOT's online renewal service. The Department of Administrative Services will charge the DOT two cents for each authentication. The DOT estimates this charge could be as much as \$2,500 a year for the service.
- The penalty for failure to comply with Federal Motor Carrier Safety Regulations is the withholding of 5.0% of the federal highway apportionments for the first year of noncompliance and 10.0% for each year thereafter. The estimated value of these amounts is \$14.9 million in federal highway funding the first year and \$29.7 million for each year thereafter.
- If the 13 electronic vehicles registered in Iowa pay an average of an additional \$105 per vehicle per year, there will be an increase of \$1,365 to the Road Use Tax Fund. While electric vehicles have become more popular in recent years, it cannot be estimated how many will be registered in Iowa in future years.

Local Fiscal Impacts

The number of individuals eligible to renew a driver's license online that would take advantage of the electronic renewal over a county issuance location and the resulting employee hours saved cannot be estimated at this time.

Sources

Iowa Department of Transportation
National Council of State Legislatures

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to [Section 2.56, Code of Iowa](#). Data used in developing this fiscal note, is available from the Fiscal Services Division of the Legislative Services Agency upon request.
